

INVESTMENTS

892.

\$3040,143 17  
839,453 18  
1,877,968 47

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56,467 77

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capable of great extension; and while the Directors regard its growth as particularly gratifying, they believe that that growth will be continuous, since the public is daily becoming more and more convinced of the greatly increased safety and efficiency attainable by the employment of such a Company as ours.

All which is respectfully submitted.

J. W. LANGMUIR,  
*Manager.*

EDWARD BLAKE,  
*President.*

TORONTO, May 16th, 1892.

In moving the adoption of the report, the President said :—

I think we may congratulate ourselves on the result of our ten years' operations. These results I attribute to the fortunate circumstances that we were able, to the public gain, as well as to our advantage, to meet an urgent need in reference to the investments of the High Court, thus securing from the beginning a considerable business; to the confidence inspired by the character of our directorate; to the diligence of our executive, and to the wholly exceptional qualifications of our manager, aided latterly by the most valuable services of Vice-President Hoskin.

Our large returns have been due, not to high charges—for our charges are as low as they can well be made—but to the great volume of business done on a moderate cash capital.

The character of our business demands a high class staff not to be obtained without good salaries. Its extent has enabled us to employ such a staff, and to incur, with a view of efficiency, large expenditures. The net margin of profit which we show, handsome though it be, is yet infinitesimal, measured by the thirteen and a half millions of transactions indicated in the report. We have adhered to, and I hope will perpetuate, the policy of dividing only a moderate interest on our realised capital, and accumulating our business profits for the further security of our clients and our shareholders. As to the future, our net percentage returns derivable from court and other guaranteed investments must rather diminish than increase. The margin of gross profit has been reduced by the lowered rate of interest, and the margin of net profit has been lessened by the increased risk of loss, but of course the addition to the bulk tends to compensate for these diminutions. In this connection, I may remark, that a very careful inspection of our farm loans shows an apparent average depreciation in Ontario farms of 23¼ per cent., but allowing for some original over-valuations and some under-revaluations, I calculate the average depreciation at about 20 per cent. I am sorry to add that I can see no reason for anticipating any material improve-